

**DECISION**  
**on the supervision over the implementation of the**  
**Law on the Conversion of Swiss Franc (CHF) – Denominated Loans**  
**into Euro (EUR) – Denominated Loans**

**(OGM 49/15 of 3 September 2015, 63/16 of 06 October 2016)**

**Article 1**

This Decision shall govern the supervision over the implementation of the Law on the Conversion of Swiss Franc (CHF) – Denominated Loans into Euro (EUR) – Denominated Loans OGM 46/15, 59/16) – (hereinafter: the Law) performed by the Central Bank of Montenegro (hereinafter: the Central Bank).

**Article 2**

The Central Bank shall perform the supervision over implementation of the Law as follows:

- 1) Analyse the documentation, information and other data submitted by banks and third parties to whom the banks ceded receivables based on loans (hereinafter: third parties) upon the Central Bank's request,
- 2) On-site review of the business books, agreements made in accordance with Article 4 of the Law, accounting and other documentation in the bank and in third party.

**Article 3**

During the supervision over implementation of the Law, the Central Bank shall control whether the banks comply with Articles 1 through 3 and Article 4 of the Law, and in particular, whether the banks:

- 1) comply with deadlines set forth in Articles 2 and 4 of the Law;
- 2) for the purposes of the preparation of agreements referred to in Article 4 of the Law, convert loans in Swiss franc as at the conclusion of the loan agreement and apply middle exchange rate of euro, using the exchange rate published by the Central Bank;
- 3) report, in the proposals of the agreements referred to in Article 4 of the Law, obligations of the loan beneficiaries in euros;
- 4) present, together with the proposals of the agreements referred to in Article 4 of the Law, new repayment plan drawn up based on the new calculation of loan with calculated nominal interest rate that does not exceed 8.2% at annual level;
- 5) report in their business books, in accordance with the Law, the converted amount of obligations only for loan beneficiaries with whom they signed the agreements referred to in Article 4 of the Law.

**Article 3a**

During the supervision over the implementation of the Law, the Central Bank shall control whether the banks and/or third parties comply with Articles 3a and 3b of the Law, and in particular, whether:

- 1) the banks and/or third parties recalculated loans and/or receivables after the conversion in accordance with Article 3a paragraph 1 of the Law;
- 2) the banks and/or third parties have calculated the debt on loans and/or receivables that are repaid during regular repayment period or enforced collection in accordance with the Law; informed the clients on the repayment of funds exceeding the obligation stipulated under this law; recovered such funds;
- 3) the banks submitted to third parties documents and data on ceded receivables under Article 3b paragraph 1 of the Law; they performed such activity within the prescribed timeframe: the repayment plans for loans referred to in Article 3b paragraph 1 point 3 of the Law have been drawn up for the period of the life of the loan using nominal interest rate of 8.2% and applying compound interest account and decursive interest calculation;
- 4) third parties calculated the amount of debt in accordance with Article 3b paragraph 2 of the Law;
- 5) third parties offered to debtors agreement on debt repayment within the timeframe specified under Article 3b paragraph 3 of the Law;
- 6) offered agreements on debt repayment are harmonised with Article 3b paragraph 4 of the Law;
- 7) third parties complied with Article 3b paragraph 6 of the Law.

#### **Article 4**

The Central Bank shall supervise the implementation of the Law and take measures against banks for removing irregularities disclosed in executing the obligations under the Law in accordance with the provisions of the law governing the banking supervision.

#### **Article 5**

The Central Bank shall, within 60 days upon the expiry of the deadline referred to in Article 4 of the Law, submit to the Parliament of Montenegro the report on the supervision over the implementation of the Law containing the following:

- 1) information on the realisation of the obligation of banks and the Central Bank referred to in the Law;
- 2) data on potential measures taken against banks to remove regularities disclosed in the implementation of the Law;
- 3) effects of the implementation of the Law (data on offered and signed agreements, the volume of converted receivables, effects of the implementation of the Law on loan beneficiaries and banks, and the like),
- 4) other data and information with regard to the realisation of obligations under the Law.

#### **Article 5a**

The Central Bank shall, within 60 days upon the expiry of the deadline referred to in Article 3b paragraph 5 of the Law, submit to the Parliament of Montenegro the report on the supervision over the implementation of Articles 3a and 3b of the Law containing the following:

- 1) information on the realisation of the obligation of banks and the third parties referred to in the Law;
- 2) data on potential measures of the Central Bank taken against banks and third parties, including data on potential lawsuits for determining offences of banks or third parties and their responsible persons;

- 3) effects of the implementation of the Law (data on offered and signed agreements, the volume of converted receivables, effects of the implementation of the Law on loan beneficiaries, banks, and third parties, and the like),
- 4) information on potential problems occurred in the realisation of the supervision of the implementation of the Law,
- 5) other data and information with regard to the realisation of obligations under the Law.

#### **Article 6**

This Decision shall enter into force on the eighth day following that of its publication in the Official Gazette of Montenegro.

**THE COUNCIL OF THE CENTRAL BANK OF MONTENEGRO**